

STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
300 Capitol Mall, 17th Floor
Sacramento, California 95814

INITIAL STATEMENT OF REASONS

**January 1, 2010 Workers' Compensation Claims Cost Benchmark
and Pure Premium Rates**

File No. REG-2009-00022

The California Insurance Commissioner will consider (1) approval of the Workers' Compensation Claims Cost Benchmark and advisory pure premium rates developed by the Workers' Compensation Insurance Rating Bureau of California (WCIRB) as a rating organization; (2) approval of amendments to the California Workers' Compensation Uniform Statistical Reporting Plan—1995, Title 10 CCR §2318.6; (3) approval of an amendment to the Miscellaneous Regulations for the Recording and Reporting of Data, Title 10, CCR §2354; and (4) approval of amendments to the California Workers' Compensation Experience Rating Plan—1995, Title 10 CCR §2353.1 as proposed by the WCIRB as the Insurance Commissioner's designated statistical agent. The hearing will be held in response to a filing by the WCIRB submitted on August 18, 2009.

SPECIFIC PURPOSE AND NECESSITY

Pursuant to Insurance Code Sections 11750 and 11750.3, the WCIRB has developed and submitted for the Insurance Commissioner's approval pure premium rates for its member insurers. Pursuant to Insurance Code Sections 11734 and 11751.5, the Insurance Commissioner has designated the WCIRB as his statistical agent. As the designated statistical agent, the WCIRB has filed revisions to the California Workers' Compensation Uniform Statistical Reporting Plan—1995; the Miscellaneous Regulations for the Recording and Reporting of Data; and the California Workers' Compensation Experience Rating Plan—1995 for approval. The pure premium rates will be advisory only; however, adherence to the regulations contained in the California Workers' Compensation Uniform Statistical Reporting Plan—1995, the Miscellaneous Regulations for the Recording and Reporting of Data, and the California Workers' Compensation Experience Rating Plan—1995 is mandatory. With regard to the standard classification system developed by the WCIRB and approved by the Insurance Commissioner, Insurance Code Section 11734 provides that an insurer may develop its own classification system if it is filed with the Insurance Commissioner 30 days prior to its use and is not disapproved by the Insurance Commissioner for failure to demonstrate that the data produced by the insurer's classification system can be reported consistently with the California Workers'

Compensation Uniform Statistical Reporting Plan—1995 or the standard classification system developed by the WCIRB and approved by the Insurance Commissioner.

The pure premium rates recommended by the WCIRB to be effective January 1, 2010, as well as proposed revisions to the regulations to be effective January 1, 2010 and January 1, 2011, are detailed in the WCIRB's filing and summarized below.

APPROVE CLAIMS COST BENCHMARK AND PURE PREMIUM RATES

Pursuant to California Insurance Code Section 11750.3, the WCIRB has proposed advisory pure premium rates for approval by the Insurance Commissioner to be effective January 1, 2010 with respect to new and renewal policies as of the first anniversary rating date of a risk on or after January 1, 2010. The corresponding overall pure premium rate level change, or claims cost benchmark, is 22.8% greater than the claims cost benchmark approved by the Insurance Commissioner to be effective January 1, 2009. The proposed advisory pure premium rates for each of the standard classifications are, on average, 22.8% higher than the pure premium rates effective January 1, 2009.

In addition, the WCIRB advised that it will be reviewing accident year experience valued as of June 30, 2009 once it is received and, if appropriate, will amend the pure premium rates proposed in its filing prior to the public hearing. Further, the WCIRB advised that if legislative or regulatory changes are adopted or a decision is issued in the Ogilvie v. City and County of San Francisco and Almaraz v. Environmental Recovery Services/Guzman v. Milpitas Unified School District cases prior to the public hearing on this filing, the WCIRB will evaluate the estimated cost impact of these actions and, to the extent appropriate, modify the pure premium rates proposed in its filing as well as the approved January 1, 2009 pure premium rates with respect to policies with anniversary rating dates on or after January 1, 2009 that are outstanding as of January 1, 2010.

AMEND THE CALIFORNIA WORKERS' COMPENSATION UNIFORM STATISTICAL REPORTING PLAN—1995

The WCIRB recommends amending the California Workers' Compensation Uniform Statistical Reporting Plan—1995 (USRP). These amendments are proposed to become effective January 1, 2010 with respect to new and renewal policies as of the first anniversary rating date of a risk on or after January 1, 2010, unless otherwise noted.

The WCIRB's recommendations are as follows:

1. Amend Part 1, *General Provisions*, Section I, *Introduction*, Rule 3, *Effective Date*, to show that the effective date of the amended USRP is 12:01 A.M., January 1, 2010.

2. Amend Part 2, *Policy Document Filing Requirements*, Section I, *General Instructions*, Rule 1, *Policies*, Subrule a(2)(d), to eliminate the optional Social Security Number reporting requirement for policyholders that do not have a FEIN, due to privacy concerns.
3. Amend Part 3, *Standard Classification System*, Section V, *Payroll – Remuneration*, Rule 1, *Payroll – Remuneration*, Subrule j, *Executive Officers*, Subrule k, *Partners*, Subrule l, *Individual Employers*, and Subrule m, *Members of a Limited Liability Company*, to adjust the minimum and maximum payroll limitations for executive officers, partners, individual employers, and members of a limited liability company to reflect wage inflation since the minimum and maximum payroll limitations were last amended in 2009.
4. Amend Part 3, Section VII, *Standard Classifications*, Rule 1, *Classification Section*, Subrule a, *Industry Groups*, to reflect the proposed establishment of *Food Packaging and Processing* as an industry group and to renumber the subsequent listings in the Rule.
5. Amend Classification 9181, *Athletic Teams or Parks – all players on the salary list of employer, whether regularly played or not*, to increase the annual payroll limitation for players from \$94,900 to \$97,500 per year per person to reflect wage inflation since the threshold was last amended in 2009.
6. Amend the footnote for Classification 8324, *Automobile Gasoline Stations – retail*, for clarity and consistency.
7. Amend the footnote for Classification 8393, *Automobile or Automobile Truck Body and Fender Repairing and Painting – all employees including estimators, service writers and customer service representatives*, to direct that towing, roadside assistance, and freeway service patrol operations when conducted on vehicles not owned by the employer shall be separately classified.
8. Amend Classification 8391, *Automobile or Automobile Truck Dealers – all employees other than automobile or automobile truck salespersons*, to direct that the classification includes the transporting of vehicles that are owned by the employer. In addition, amend the classification footnote to direct that towing, roadside assistance, and freeway service patrol operations when conducted on vehicles not owned by the employer shall be separately classified.
9. Amend Classification 3821, *Automobile or Automobile Truck Dismantling – including the salvaging or junking of parts and store operations*, to direct that the classification includes the transporting of vehicles that are owned by the employer. Also, add a footnote to direct that towing, roadside assistance, and freeway service patrol operations when conducted on vehicles not owned by the employer shall be separately classified.

10. Amend the footnote for Classification 8389, *Automobile or Automobile Truck Repair Shops or Garages – no retail gasoline sales*, to direct that towing, roadside assistance, and freeway service patrol operations when conducted on vehicles not owned by the employer shall be separately classified.
11. Amend the footnote for Classification 8387, *Automobile or Automobile Truck Service Stations – all employees*, to direct that towing, roadside assistance, and freeway service patrol operations when conducted on vehicles not owned by the employer shall be separately classified, and for clarity and consistency.
12. Amend the footnote for Classification 8392, *Automobile or Automobile Truck Storage Garages or Parking Stations or Lots – no repair*, to direct that this classification does not apply to the storage of impounded vehicles that the employer tows to its premises. Also, add a footnote to direct that towing, roadside assistance, and freeway service patrol operations when conducted on vehicles not owned by the employer shall be separately classified.
13. Establish Classification 7227, *Automobile or Automobile Truck Towing, Roadside Assistance or Freeway Service Patrol – for vehicles not owned by employer*. The Towing, Roadside Assistance and Freeway Service Patrol industry constitutes a distinct and identifiable industry of sufficient size to generate a statistically credible pure premium rate.
14. Establish a cross-reference to indicate that Classification 2003, *Bakeries and Cracker Mfg.*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
15. Establish a cross-reference to indicate that Classification 2163, *Bottling – beverages*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
16. Establish a cross-reference to indicate that Classification 2121, *Breweries or Malt Houses – including bottling or canning*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
17. Establish a cross-reference to indicate that Classification 4717, *Butter Substitutes Mfg.*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
18. Establish a cross-reference to indicate that Classification 4683(2), *Cottonseed Oil Mfg. or Refining – during both active and dormant seasons*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
19. Establish a cross-reference to indicate that Classification 2063, *Creameries and Dairy Products Mfg.*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.

20. Establish a cross-reference to indicate that Classification 2142(2), *Distilling – N.O.C.*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
21. Establish a cross-reference to indicate that Classification 2113, *Fish or Seafood Products Mfg. – including packaging*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
22. Establish an industry group for food packaging and processing and for those classifications in the new industry group:
 - Amend Classification 2113, *Canneries – fish*, to clarify its intended application.
 - Amend Classification 6504, *Confections and Food Sundries Mfg. or Processing – N.O.C.*, to clarify its intended application.
 - Amend the footnote to Classification 2108, *Fruit – citrus fruit packing and handling*, to clarify the distinction between Classifications 2108 and 2123, *Fruit or Vegetable Processing – fresh – ready-to-eat*.
 - Amend Classification 2107, *Fruit – fresh fruit packing and handling*, to indicate that it is a “not otherwise classified” classification. In addition, amend the footnote to clarify the distinction between Classifications 2107 and 2123, *Fruit or Vegetable Processing – fresh – ready-to-eat*.
 - Amend Classification 2111(1), *Canneries – N.O.C.*, to clarify its intended application.
 - Establish Classification 2123, *Fruit or Vegetable Processing – fresh – ready-to-eat*. The “ready-to-eat” produce industry constitutes a distinct and identifiable industry of sufficient size to generate a statistically credible pure premium rate. Also amend several related classifications for clarity and consistency.
 - Amend Classification 2117, *Vegetable or Fruit Processors – frozen*, for clarity and consistency.
 - Amend Classification 2095, *Meat Products Mfg. – N.O.C.*, to remove the “not otherwise classified” indication and to clarify its intended application.
 - Establish Classification 0096, *Nut Hulling, Shelling or Processing*. Nut processing constitutes a distinct and identifiable industry of sufficient size to generate a statistically credible pure premium rate.
 - Amend the footnote to Classification 8209, *Vegetables – fresh vegetable and tomato packing and handling*, to clarify the distinction between Classifications 8209 and 2123, *Fruit or Vegetable Processing – fresh – ready-to-eat*.

23. Establish a cross-reference to indicate that Classification 6504, *Food Products Mfg. or Processing – N.O.C.*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
24. Establish a cross-reference to indicate that Classification 2108, *Fruit – citrus fruit packing and handling*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
25. Establish a cross-reference to indicate that Classification 2109, *Fruit – dried fruit packing and handling*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
26. Establish a cross-reference to indicate that Classification 2107, *Fruit – fresh fruit packing and handling*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
27. Establish a cross-reference to indicate that Classification 2116, *Fruit Juice or Concentrate Mfg.*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
28. Establish a cross-reference to indicate that Classification 2102, *Fruit or Vegetable Evaporation or Dehydrating*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
29. Establish a cross-reference to indicate that Classification 2111(1), *Fruit or Vegetable Preserving – including packaging*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
30. Establish a cross-reference to indicate that Classification 2123, *Fruit or Vegetable Processing – fresh – ready-to-eat*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
31. Establish a cross-reference to indicate that Classification 2117, *Fruit or Vegetable Processing – frozen*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
32. Establish a cross-reference to indicate that Classification 2014(1), *Grain or Rice Milling*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
33. Establish a cross-reference to indicate that Classification 2002, *Macaroni Mfg.*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
34. Establish a cross-reference to indicate that Classification 2095, *Meat Products Mfg. – including packaging*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.

35. Amend Classification 9610, *Motion Pictures – production*, to increase the annual payroll limitation for actors, musicians, producers and the motion picture director from \$94,900 to \$97,500 per person to reflect wage inflation since the threshold was last amended in 2009.
36. Establish a cross-reference to indicate that Classification 0096, *Nut Hulling, Shelling or Processing*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
37. Establish a cross-reference to indicate that Classification 4683(1), *Oil Mfg. or Refining – vegetable*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
38. Establish a cross-reference to indicate that Classification 2111(2), *Olive Handling – sorting, curing, packing and canning*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
39. Establish a cross-reference to indicate that Classification 2111(3), *Pickle Mfg.*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
40. Amend the footnote to Industry Group *Property Management/Operation*, Classification 8740(3), *Building Operation – N.O.C.*, for consistency.
41. Amend Classification 7610, *Radio, Television or Commercial Broadcasting Stations – all employees*, to increase the annual payroll limitation for players, entertainers or musicians from \$94,900 to \$97,500 per person to reflect wage inflation since the threshold was last amended in 2009.
42. Establish a cross-reference to indicate that Classification 2030, *Sugar Mfg. or Refining – beet or cane*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
43. Amend Classification 7365, *Taxicab Operations – all employees*, to increase the minimum annual payroll per taxicab from \$26,500 per year to \$27,300 to reflect wage inflation since the threshold was last amended in 2009.
44. Amend Classification 9156, *Theaters – dance, opera and theater companies*, to increase the annual payroll limitation for performers and directors of performers from \$94,900 to \$97,500 per person to reflect wage inflation since the threshold was last amended in 2009.
45. Amend Classification 9151, *Theaters – music ensembles*, to increase the annual payroll limitation for performers and directors of performers from \$94,900 to \$97,500 per person to reflect wage inflation since the threshold was last amended in 2009.

46. Establish a cross-reference to indicate that Classification 8209, *Vegetables – fresh vegetable and tomato packing and handling*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
47. Establish a cross-reference to indicate that Classification 2142(3), *Vinegar Mfg.*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
48. Establish a cross-reference to indicate that Classification 4831, *Vitamin or Food Supplement Mfg. – compounding, blending or packaging only*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
49. Amend the footnote to Classification 8215(2), *Warehouses – grain or bean*, to reflect other recommendations proposed elsewhere in the filing.
50. Establish a cross-reference to indicate that Classification 2142(1), *Wineries – all operations*, is listed under the *Food Packaging and Processing* Industry Group as proposed elsewhere in the filing.
51. Amend Section VIII, *Abbreviated Classifications – Numeric Listing*, for consistency with recommendations proposed elsewhere in the filing.
52. Amend Part 4, *Unit Statistical Report Filing Requirements*, Section I, *General Instructions*, Rule 5, *Hard Copy Reporting*, to eliminate all references to the Supplemental Loss Report form for consistency with other recommendations proposed elsewhere in the filing.
53. Amend Part 4, Section II, *Definitions*, to conform to the Workers Compensation Insurance Organizations' *WCIO Workers Compensation Data Specifications Manual* for the electronic reporting of unit statistical report data, as applicable to California, as well as for consistency and clarity.
54. Amend Part 4, Section III, *Policy Information (Header)*, to conform to the Workers Compensation Insurance Organizations' *WCIO Workers Compensation Data Specifications Manual* for the electronic reporting of unit statistical report data, as applicable to California, and for consistency with other recommendations proposed elsewhere in the filing.
55. Amend Part 4, Section IV, *Exposure and Premium Information*, to conform to the Workers Compensation Insurance Organizations' *WCIO Workers Compensation Data Specifications Manual* for the electronic reporting of unit statistical report data, as applicable to California, and for consistency with other recommendations proposed elsewhere in the filing.

56. Amend Part 4, Section V, *Loss Information*, to conform to the Workers Compensation Insurance Organizations' *WCIO Workers Compensation Data Specifications Manual* for the electronic reporting of unit statistical report data, as applicable to California, and for consistency with other proposed recommendations made elsewhere in the filing.
57. Amend Part 4, Section V, *Loss Information*, Subsection B, *Loss Data Elements*, Rule 13, to eliminate the Social Security Number reporting requirement due to privacy concerns, to be effective with respect to claims required to be valued on or after January 1, 2010, and to renumber all subsequent rules due to the elimination of Rule 13.
58. Amend Part 4, Section VI, *Subsequent Reports, Correction Reports, and Reporting Methods*, to conform to the Workers Compensation Insurance Organizations' *WCIO Workers Compensation Data Specifications Manual* for the electronic reporting of unit statistical report data, as applicable to California, and for consistency with other recommendations proposed elsewhere in the filing.

Appendices

The WCIRB's recommendations are as follows:

1. Amend Appendix IV to eliminate the Supplemental Loss Report Form as it is no longer applicable.
2. Amend Appendix V, *Required Loss Fields for Particular Injury Types and Types of Claims*, to conform to the Workers Compensation Insurance Organizations' *WCIO Workers Compensation Data Specifications Manual* for the electronic reporting of unit statistical report data, as applicable to California, and for consistency with other recommendations proposed elsewhere in the filing. Also, amend to eliminate the Social Security Number reporting requirement, due to privacy concerns, to be effective with respect to claims required to be valued on or after January 1, 2010.
3. Amend Appendix VI, *Injury and Accident Description Codes*, to conform to the Workers Compensation Insurance Organizations' *WCIO Workers Compensation Data Specifications Manual* for the electronic reporting of unit statistical report data, as applicable to California, as well as for consistency and clarity.

In addition, the Insurance Commissioner's Decision on the WCIRB's July 1, 2009 pure premium rate filing directed the WCIRB to propose rule changes, effective January 1, 2010, to require that the cost of medical cost containment programs be reported as allocated loss adjustment expense instead of medical loss and be separately reported so as to be able to be monitored. The WCIRB is in the process of finalizing the proposed amendments to the USRP definition and reporting requirements related to medical cost containment and will submit those proposed amendments prior to the public hearing on its filing. However, the WCIRB has advised that in light of the complexity of the insurer system modifications needed to facilitate the new reporting requirements, the WCIRB may propose that the amendments become effective January 1, 2011.

If amendments to require that the cost of medical cost containment programs be reported as allocated loss adjustment expense instead of medical loss and be separately reported so as to be able to be monitored do occur, those amendments would likely require changes to the definitions of Allocated Loss Adjustment Expense(s) and Unallocated Loss Adjustment Expense(s) contained in Part 4, Section II, Rule 19 of the USRP and the definition of Medical Loss(es) contained in Part 4, Section II, Rule 22 of the USRP.

AMEND THE MISCELLANEOUS REGULATIONS FOR THE RECORDING AND REPORTING OF DATA

The WCIRB recommends that the following amendment to the Miscellaneous Regulations for the Recording and Reporting of Data (Miscellaneous Regulations) be approved effective January 1, 2010 with respect to new and renewal policies as of the first anniversary rating date of a risk on or after January 1, 2010.

The WCIRB recommends that:

1. Amend Part 1, *General Provisions*, Section I, *Introduction*, Rule 2, *Effective Date*, to show that the effective date of the amended Miscellaneous Regulations is 12:01 A.M., January 1, 2010 to be consistent with the effective date of the California Workers' Compensation Uniform Statistical Reporting Plan—1995 for ease of reference.

AMEND THE CALIFORNIA WORKERS' COMPENSATION EXPERIENCE RATING PLAN—1995

The WCIRB recommends that the following amendments to the California Workers' Compensation Experience Rating Plan—1995 (Experience Rating Plan) be approved effective January 1, 2010, with respect to new and renewal policies as of the first anniversary rating date of a risk on or after January 1, 2010.

The WCIRB recommends that:

1. Amend Section I, *General Provisions*, Rule 2, *Effective Date*, to show that the effective date of the amended Experience Rating Plan is 12:01 A.M., January 1, 2010.
2. Amend Section III, *Eligibility and Experience Period*, Rule 1, *Eligibility Requirements for California Workers' Compensation Insurance*, to adjust the experience rating eligibility threshold from \$15,700 to \$20,100 to reflect wage inflation and the indicated change in the claims cost benchmark reflected in the filing.
3. Amend Section VII, *Rating Procedure*, Rule 1, *Primary Actual Losses*, to replace the formula for computing the primary actual loss value with a new method for determining the primary actual loss value.
4. Eliminate the values in Table I, *Primary Values of Actual Losses*, and replace with a reference to Section VII, Rule 1, for clarity and to conform to recommendations proposed elsewhere in the filing.
5. Amend the D-ratios shown in Table II, *Expected Loss Rates and Full Coverage D-Ratios*, to reflect the most current data available and an enhanced methodology to project expected loss rates.
6. Amend the credibility ("B" and "W") values shown in Table III to reflect the most current data available.

The WCIRB recommends the following amendments to the *California Workers' Compensation Experience Rating Plan—1995* be approved effective January 1, 2011 with respect to new and renewal policies as of the first anniversary rating date of a risk on or after January 1, 2011.

The WCIRB recommends that:

1. Amend Section II, *Definitions*, to add a definition of Loss-Free Rating and to renumber all subsequent Rules.
2. Amend Section V, *Application of Experience Modification*, Rule 5, *Notification of Experience Modification*, to require the notice to reflect (a) the risk's Loss-Free Rating and (b) a summary explanation of the experience modification computation.

SPECIFIC TECHNOLOGIES OR EQUIPMENT

Adoption of these proposed changes and amendments will not mandate the use of specific technologies or equipment.

IDENTIFICATION OF STUDIES, REPORTS, OR DOCUMENTS

The Commissioner did not consider any studies, reports, or documents in promulgating these proposed changes or amendments other than the information provided by the WCIRB in its filing. However, the Commissioner may consider studies, reports, or documents submitted by the WCIRB, requested of the WCIRB by the Commissioner or his staff, or submitted by any interested person.

REASONABLE ALTERNATIVES

The Commissioner has determined that no reasonable alternatives exist to carry out the proposed changes and amendments and that there are no reasonable alternatives that would lessen the impact on small business.

ASSESSMENT OF SIGNIFICANT ADVERSE ECONOMIC IMPACT ON BUSINESS

The Commissioner has determined that it is unknown whether there will be a significant adverse economic impact on business as a result of the proposed changes to the pure premium rates. Adjustments to the pure premium rates and claims cost benchmark are advisory only, and it is left to workers' compensation insurers to determine what adjustments to make to their own rates. The Commissioner has determined that changes and amendments to the regulations contained in the California Workers' Compensation Uniform Statistical Reporting Plan—1995, the Miscellaneous Regulations for the Recording and Reporting of Data, and the California Workers' Compensation Experience Rating Plan—1995 will not have a significant adverse economic impact on business based upon the information provided by the WCIRB in its filing.

PRE-NOTICE PUBLIC DISCUSSIONS

The Commissioner has not conducted Pre-Notice Public Discussions; however, the WCIRB has conducted public meetings regarding these proposed changes and amendments.